

TOWN OF SULLIVAN'S ISLAND MUNICIPAL COURT
SULLIVAN'S ISLAND, SOUTH CAROLINA

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

For the Year Ended June 30, 2018



June 4, 2019

Ms. Courtney Liles, Town Clerk/Treasurer
Town of Sullivan's Island
Sullivan's Island, South Carolina

This report resulting from the application of agreed-upon procedures to the accounting records of the Town of Sullivan's Island Municipal Court System as of and for the year ended June 30, 2018, was issued by The Hobbs Group, P.A., Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

George L. Kennedy, III, CPA
State Auditor

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

June 4, 2019

Mr. George L. Kennedy, III, CPA
State Auditor
State of South Carolina
Columbia, South Carolina

Ms. Courtney Liles, Town Clerk/Treasurer
Town of Sullivan's Island, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and the Town of Sullivan's Island Municipal Court (the "Town"), on the systems, processes, and behaviors related to court fines and fees of the Town for the period July 1, 2017 through June 30, 2018, in the areas addressed. The Town is responsible for the systems, processes and behaviors related to court fines and fees. The sufficiency of these procedures is solely the responsibility of the South Carolina Office of the State Auditor and the Town. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose.

The procedures and the associated findings are as follows:

1. Clerk of Court

- We gained an understanding of the policies and procedures established by the Clerk of Court to confirm timely reporting by the Clerk of Court's Office.
- We obtained the court dockets or equivalents from the Clerk of Court. We randomly selected 25 cases from the court dockets and recalculated the fine, fee, assessment and surcharge calculation to confirm that the fine, fee, assessment and surcharge were properly allocated in accordance with applicable State law and the South Carolina Court administration fee memoranda.
- We randomly selected 25 court receipt transactions to confirm that the fine, fee, assessment and surcharge adhered to State law and the South Carolina Court administration fee memoranda and that the receipts were allocated in accordance with applicable State law.

Finding -- Adherence to Fine Guidelines

During our inspection of Town Court collections and remittances, we observed the following instances in which the Court did not fine the defendant in accordance with State law:

Minor in Possession of Alcohol

The Court fined one individual \$28.92 for minor in possession of alcohol. Section 63-19-2440 of the South Carolina Code of Laws, as amended, states "A person who is in violation of Section 63-19-2440 is guilty of a misdemeanor and, upon conviction, must be fined not less than one hundred dollars nor more than two hundred dollars..". Per discussion with the Clerk of Court the Court was not aware that the incorrect fine amount had been assessed.

Management Response:

We were not aware that the code of law required a fine in the amount listed above. We will ensure all employees who enter data into Lawtrak have the proper training, skills, and experience to do so in the future to prevent future findings in similar areas.

2. Town Treasurer

- We gained an understanding of the policies and procedures established by the Town treasurer to confirm timely reporting by the Town.
- We inspected all monthly court remittance forms or equivalents to confirm that the forms were completed in accordance with instructions and submitted timely in accordance with State law.
- We agreed the amounts reported on the monthly remittance forms or equivalents to the Town's support.
- We inspected the Town's support to confirm that the Town properly classified fine, fee, assessment, and surcharge receipts.
- We inspected all State Treasurer's Revenue Remittance Forms for the period July 1, 2017 through June 30, 2018 and agreed the amounts reported on the State Treasurer's Revenue Remittance Forms to the court remittance forms or equivalents.
- We agreed the amounts reported by the Town on its schedule of fines and assessments, as reported in the annual financial statement audit, for the period July 1, 2017 through June 30, 2018, to the Town's general ledger.
- We inspected the Town's schedule of fines and assessments, as reported in the annual financial statement audit, to confirm that it contained all the elements required by State law.

Finding -- Timely transmittal of monies received

One of the twelve payments remitted to the State Treasurer was not submitted on or before the fifteenth day of the month following the month being reported. The monies received for the month of February 2018 were not remitted by the Court to the State Treasurer until April 18, 2018. South Carolina Code of Laws Section 14-1-220 requires the Town Clerk of Court to transmit all monies received no less frequently than once each month, completed on or before the fifteenth day of the month following the month being reported.

Management Response:

In response to the finding noted above, the Town submitted the remittance form on time, however the State Treasurer's office lost the Remittance form submitted to them. In the first week of the month, the Clerk of Court files the report via email to the State Treasurer's office. The amount due is then

automatically drafted from the Town's account. The form was emailed in the first week of March. The State failed to withdraw the amount from the Town's bank account. Once the Town became aware, the State was notified and the withdrawal made.

3. **Victim Assistance**

- We gained an understanding of the policies and procedures established by the Town to confirm proper accounting for victim assistance funds.
- We made inquiries and confirmed that any funds retained by the Town for victim assistance were deposited into a separate account.
- We selected all (two) expenditures to confirm that the Town expended victim assistance funds in accordance with State law and the South Carolina Court administration fee memoranda.
- We inspected the Town's victim assistance financial activity on its schedule of fines and assessments, as reported in the annual financial statement audit, and confirmed that it was in compliance with applicable State law.
- We agreed the amounts reported by the Town on its schedule of fines and assessments, as reported in the annual financial statement audit for the year ended June 30, 2017, applicable to the Victim Assistance Fund, to the Town's general ledger or subsidiary ledgers.
- We inspected the Town's victim assistance account to confirm the Victim Assistance fund balance was retained as of July 1 from the previous fiscal year in accordance with State law.

We found no exceptions as a result of the procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be an opinion or conclusion, respectively, on the systems, processes, and behaviors related to court fines and fees of the Town of Sullivan's Island Municipal Court. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the Sullivan's Island Town Council, the Clerk of Court, Town Treasurer, State Treasurer, South Carolina Department of Crime Victim Compensation, and the Chief Justice and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

The Hobbs Group, P.A.
Columbia, South Carolina

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